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**STOCKTON MAN PLEADS GUILTY TO MONEY LAUNDERING, OPERATING AN
ILLEGAL WIRE TRANSMITTING BUSINESS**

First Federal Conviction in District Under Illegal Money Transmitter Law

SACRAMENTO--United States Attorney McGregor W. Scott announced that SEKHARITH BE, 53, of Stockton, pleaded guilty in U.S. District Court in Sacramento today to two counts of structuring transactions and one count of operating an illegal wire transmitting business. Sentencing before U.S. District Court Judge William B. Shubb was scheduled for January 12, 2005.

The case was investigated by agents with the Internal Revenue Service-Criminal Investigations, the FBI, DEA, and the Department of Homeland Security, with assistance from the Stockton Police Department.

According to Assistant United States Attorneys Benjamin B. Wagner and Courtney J. Linn, who are prosecuting the case, defendant BE in his plea of guilty admitted that during the period from June 2000 to May 2004, he repeatedly directed others to break down cash deposits that were in excess of \$10,000 into deposits of smaller amounts in order to evade the federal Currency Transaction Reporting ("CTR") requirement. Under the CTR requirement, banks are obligated to report cash transactions involving more than \$10,000. BE also admitted that, between October 2001 and October 2003, he operated an illegal wire transmitting business in

Stockton. In total, BE admitted to wire transferring approximately \$22.7 million from bank accounts he controlled in the United States to a bank account in Cambodia.

Under California law, entities that are in the business of receiving funds and transferring the money overseas must be licensed by the California Department of Financial Institutions.

Under Section 1960 of Title 18 of the United States Code, it is a federal felony offense to operate an unlicensed money transmitting business.

Section 1960 was enacted in 1992, based on findings by Congress that banks had become more sophisticated in detecting and reporting money laundering, so that criminals were increasingly turning to unlicensed money transmitters to move their illicit funds. Following the events of 9/11, law enforcement has devoted additional resources to the investigation of money laundering, illegal wire transmitting, bulk cash smuggling, and other activity involving the undocumented movement of funds across national borders. The provisions of Section 1960 were strengthened under the USA Patriot Act. Since then, prosecutions for operating unlicensed money transmitting businesses have increased. Today's plea represents the first conviction for a violation of Section 1960 in the 34 county area that makes up the Eastern District of California.

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